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DEPARTMENT PASS TO MCC (CHAKA)
DOJ FOR ICITAP (TREVILLIAN, RODERICK, BARR, AND RAUCH)

SENSITIVE

SIPDIS

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SUBJECT: LACK OF POLITICAL WILL UNDERMINING ANTI-CORRUPTION PROGRESS
IN UGANDA

REF: A. Chaka-Dobberstein telecon May 13, 2009, B. Hoover-Chaka
e-mail April 8, 2009

¶1. (SBU) Summary: A joint review of Uganda's Millenium Challenge Corporation Anti-Corruption Threshold Program (MCC ACT Program) found the program to be largely on track. However, there has not been substantial progress towards improving broader anti-corruption measures and indicators. Government officials acknowledged that improved interagency coordination, increased prosecutions, and adequate funding for the Anti-Corruption Division of the High Court are essential to achieve an overall improvement in anti-corruption performance. Government officials participating in the ACT Program claim there is no concerted effort to undermine anti-corruption efforts but admitted that there is a lack of leadership at the top to bolster the anti-corruption fight. End Summary.

MCC COUNTRY THRESHOLD PLAN REVIEW

¶2. (SBU) Uganda's ACT Program was signed in March 2007 and outlined a 30-month program to strengthen the government's capacity to fight corruption in public procurement and enhance Uganda's eligibility for an MCC Compact. The program ends on December 31, 2009. In November 2008, the MCC issued its scorecard. Uganda failed to score above the median on 3 out of 5 "Investing in People" indicators. To qualify for MCC Compact eligibility, countries must score above the median in at least half of the indicators in each of three policy areas and above the median on control and prevention of corruption. In addition, Uganda's corruption indicator has not shown a steady upward trend. Therefore, Uganda remained MCC Threshold eligible but was not MCC Compact eligible for 2009. In November and December 2008, Mission officials informed the Ministry of Foreign Affairs and the Minister for Ethics and Integrity (MEI) of Uganda's status.

¶3. (SBU) On February 11, the Government of Uganda's (GOU) Ministry of Ethics and Integrity convened a joint mid-term review of the ACT Program to consider these findings and discuss the way forward. Participants included all government partner agencies: the Directorate of Ethics and Integrity (DEI), the Office of the Auditor General (OAG), the Public Procurement and Disposal of Public Assets Authority (PPDA), the Criminal Investigation Division (CID) of the Uganda Police Force, the Directorate of Public Prosecutions (DPP), Inspectorate Government (IG), and the Anti-Corruption Division of the High Court (ACD). In addition, staff from USAID and the ACT Program, representatives of Ugandan civil society, and Resident Legal and Law Enforcement Advisors from the U.S. Department of Justice participated.

¶4. (SBU) The review noted that the ACT Program had achieved significant results improving the capacity of the anti-corruption institutions to fight corruption but that Uganda has not made significant progress in the fight against corruption. Uganda will need to demonstrate significant progress on broader anti-corruption

indicators over the next year if it hopes to become MCC Compact eligible in 2010. (Note: Uganda will also have to improve performance on the investing in people indicators, though these are not the focus of the ACT Program. End Note.) To do this, the GOU needs to better integrate and institutionalize its anti-corruption efforts by improving coordination between law enforcement and prosecutors, strengthening its analysis of cross-cutting issues, and prosecuting more anti-corruption cases in the Anti-Corruption Division of its high court. Finally, the GOU will need to devote sufficient resources to implement these recommendations and demonstrate the will to go after all who are implicated in corruption scandals.

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FOLLOW UP ACTIONS
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15. (SBU) On May 7, Charge attended a meeting of the ACT Program Oversight Committee. The Committee is comprised of high-level policy makers from institutions involved in the MCC Threshold Country Program, including the Minister of State for Internal Affairs, Minister of State for Finance, Minister of State for Justice, Minister of State for Ethics and Integrity, Director of Public Prosecutions, Inspector General of Government, the Executive Director of the Public Procurement Disposal Authority, the Principal Judge of the High Court, and the U.S. Ambassador. The Committee reviewed the mid-term assessment conducted in February. By and large, all participants agreed that the ACT Program had achieved significant results improving the capacity of the anti-corruption institutions but that Uganda had not made significant progress in the fight against corruption. The issues identified and discussed were: the need for mechanisms to follow up audit reports (both

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administratively and legally); the importance of adequate funding for the new Anti-Corruption Division (ACD) by the GOU; the need to enact laws agreed to in the ACT Program such as the Anti-Corruption Law and a Whistler Blowers Protection Law; improved coordination of anti-corruption agency activities; and full budgeting of GOU counterpart funding and support to the GOU anti-corruption agencies that was agreed to under the ACT Program. Minister of Ethics and Integrity Buturo vowed to develop a plan of action in the coming two weeks to address the issues.

16. (SBU) Charge, USAID Democracy and Governance Advisor, and P/E Chief met with Minister for Ethics and Integrity Buturo, Acting Inspector General of Government Rafael Baku, and DEI's Permanent Secretary Alex Okello on May 27 to discuss what measures could be taken to improve Uganda's performance before the ACT Program ends in December 2009. All agreed that the ACT Program had improved the capacity of the anti-corruption agencies to fight corruption and that steps were being taken to enhance interagency coordination as well as prosecutions. Overall, however, they agreed that progress had been slow and that the anti-corruption fight faced many challenges. Buturo said that, in his view, there was "no concerted effort" to undermine anti-corruption efforts. Charge asked if it would be helpful for the line agencies if the issue of lack of leadership or political will was raised at a higher level. Buturo said a higher level intervention would be very helpful.

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COMMENT
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17. (SBU) Uganda's commitment to fight corruption remains weak and the incidence and perception of corruption are increasing, despite the progress being on capacity building the capacity of the various anti-corruption agencies. Lack of political will remains at the heart of Uganda's corruption problem despite President Museveni's continued "zero tolerance" for corruption.
BROWNING